



OFFICE MEMORANDUM

DATE: September 17, 1996

TO: District Engineers
District Field Engineers
District Construction Engineers
Resident/Project Engineers

FROM: Paul F. Miller
Engineer of Construction

SUBJECT: CONSTRUCTION INSTRUCTIONAL MEMORANDUM # 1996-11
Contractor Evaluations
Supersedes CIMs 1994-10R, 1994-10, 1987-8, 1988-7, 1993-11, 1993-31

Pursuant to the Administrative Rules Governing the Prequalification of Bidders for Highway and Transportation Construction Work, we have established these guidelines to evaluate Contractor's performance on work done for the Department. Section 1 states that "qualifications (of bidders) may be judged . . . upon the basis of the proposed bidder's past performances on work of similar nature." Rule 46 states "The numerical rating factor is subject to change . . . as determined by the (Prequalification) committee from a summary of reports from field engineers and further investigation by the Department of the following factors which may permit reductions up to 100%: construction experience, quality of work, . . . organization and personnel, equipment, . . . record of contract completion, record of compliance with safety specifications, failure to submit required documents, . . . failure to execute a contract, violation of any other contract provision."

The Project/Resident Engineer is responsible for assuring that the Contractors they work with are consistently and fairly evaluated. The Contractor Evaluation form 1182 is first completed by the rater(s) whose name(s) should be shown. The Project Engineer then reviews the rating(s) and makes any changes that he or she decides are appropriate and signs the evaluation. The evaluation can be done at any time the Project Engineer or the Lansing Construction office feels it is appropriate to evaluate the performance of a contractor, but at a minimum it is done at the completion of a project or at the end of each construction season or calendar year, as appropriate, for multiple year projects. Mark the **Contract Completion Date**, for Lansing's reference, giving the construction season that the Contractor did the work in. For multiple year projects, write "interim" and the year being evaluated in this space. The completed forms are sent to the District Field Engineer for his or her review, then forwarded to the Lansing Construction office.

We rate the contractor's performance on a scale of one to five, in twelve different categories. Each category should be considered separately, although one may influence another. In cases where the raters give the Contractor a rating of Unsatisfactory (1) or Below Average (2), documentation to support the rating is critical. When a Contractor's evaluations reflect

problems, we will use this documentation to support action taken to reduce or withdraw the Contractor's Prequalification ratings. Documentation can be IDR's, written correspondence with the Contractor, shut down notices, work orders, pictures, notes made when problems are occurring or any other documents that show what was happening. Some evaluation categories are more difficult to document than others and may just be notes of the rater's experience interacting with the Contractor. We make the best documentation at the time or soon after the problems are occurring. You may want to "flag" the appropriate documentation with a colored marker as you file it so that we can easily retrieve it later.

Send a copy of the evaluation form to the Contractor. When giving a rating of below average or unsatisfactory, meeting with the Contractor to explain this rating may be appropriate. Note: the Contractor does not have to "agree" with the rating, this meeting is just to explain how we reached the rating and steps the Contractor may want to take to improve the rating on future projects.

We use Satisfactory (3), Above Average (4), and Excellent (5) ratings as part of an overall history to balance possible lower ratings. A rating of Above Average represents a time when the rating does not completely meet the Excellent rating but is better than Satisfactory. A rating of Below Average represents a time where the rating should not be satisfactory but is better than the Unsatisfactory rating. Assuring yourself that you are rating each Contractor consistently is important and documentation, as described above, must be available for below satisfactory ratings. You can use the following as a guide when completing the evaluation. Note: the term "Engineer" refers to all personnel (MDOT, local agency or consultants) overseeing the Contractor's work.

- 1) **Adequacy of Supervision** - When rating this category, you should consider the overall impact the Contractor's supervision had on the project. You can consider not only the field supervision (project foreman, superintendent, and/or manager) but also the influence from any of the Contractor's management that got or did not get involved in the work.
 - **Excellent** - The impact of the Contractor's supervision exceeded the expectations of the Engineer. They had excellent knowledge of the contract requirements and the type of work that they were doing. This meant that recognition and resolution of problems was cooperatively rapid and smooth. Oversight and coordination of subcontractors were excellent. The Engineer's oversight was less than for other projects of similar work because of our confidence in the Contractor's project management.
 - **Satisfactory** - The Contractor provided supervision of the work at the site 100 percent of the time (unless the Project Engineer did not require them to be at the site). The supervision provided sufficient oversight to keep the project moving smoothly on schedule. They showed a thorough knowledge of the contract requirements and their supervision provided a final product that met all the contract requirements. They handled problems cooperatively and within the time

necessary. The Engineer's oversight and input were normal for this type of project.

- **Unsatisfactory** - The contractor's supervision had a negative impact on the final product. They were not available when needed and/or lacked sufficient authority, experience, or knowledge of the type of work and the contract requirements to make correct and appropriate decisions. Oversight and coordination of subcontracts caused problems in addressing contract requirements in a timely manner. Lack of proper supervision caused documented delays and problems with workmanship. The Engineer spent more time than normal on this type of project to assure a quality product.

2) **Adequacy of Personnel** - When rating this category, you should consider what potential effect the Contractor's personnel had on meeting the requirements of the contract. This is a "potential effect," because there are times that the Contractor's supervision changes the effect, both positively and negatively. This category includes both the number of personnel and their skill level.

- **Excellent** - The skill level and/or number of personnel exceeded the expectations of the Engineer. Because of the excellent skills of the personnel, supervision from the Contractor, and/or oversight by the Engineer was less than expected for similar type of work.
- **Satisfactory** - The Engineer was always confident that all work operations had Contractor employees with thorough knowledge of the activity and with enough staff to do the work smoothly.
- **Unsatisfactory** - There was a documented insufficient number of personnel and/or they were not skilled enough to do the work required. When Engineer notified the Contractor of the lack of personnel and/or skill, they took insufficient action to remedy the problem.

3) **Attitude (Cooperation)** - When rating this category, consider how well the Contractor cooperated with your activities and in correcting errors and deficiencies? Also, consider how well the Contractor cooperated and coordinated with other Contractors, agencies, utilities, the public, etc.

- **Excellent** - The Contractor seemed to go more than "half way" to help on the project. This may have been by acting quickly to solve problems, offering solutions to any problems occurring, and providing additional forces, as appropriate. We resolved most claims at the project office level. The positive and cooperative attitude of the Contractor when working with anticipated construction impacts on utilities, local agencies, property owners and businesses and with the Engineer, exceeded the expectations of the Engineer.
- **Satisfactory** - The contractor was always cooperative. Errors and deficiencies were easily corrected and activities went well. We resolved most claims at the project office level and the number of claims were about average for the type of

project. The contractor worked with utility companies, other contractors, property owners and businesses to reduce construction impact before impact occurs to their properties.

- **Unsatisfactory** - The contractor only cooperated to correct an error or deficiency after the project office showed that lack of cooperation would delay the project or result in lack of payment. The contractor ignored the needs of property owners and businesses. Claims that needed to be resolved beyond the project office level were many and the majority seemed frivolous. Communication to solve problems was very difficult.

4) **Adequacy of Equipment** - When rating this category, consider what impact the Contractor's equipment had on the project. The Contractor must have available the appropriate working equipment to keep the project running efficiently.

- **Excellent** - The Contractor had more equipment than is usually found on a project of similar work to take advantage of any opportunities to make the project move more quickly. The equipment was in excellent condition (ran well and required little maintenance).
- **Satisfactory** - There was sufficient equipment that was in good condition to keep the project moving smoothly on schedule. They needed a normal amount of maintenance for this type of equipment and they took care of it before the equipment was needed. No delays occurred due to equipment problems.
- **Unsatisfactory** - The documentation will show a lack of appropriate equipment and/or the equipment was in poor shape, may have caused damage to property (oil leaks), was consistently not available when needed and/or was inappropriate for the work tasks.

5) **Compliance With Contract Requirement** - When rating this category, you should consider whether the Contractor was thoroughly knowledgeable of the contract (plans, standard specifications, and proposals) requirements and took the initiative to be in compliance with them.

- **Excellent** - The Contractor was in 100 percent compliance with the contract. Input from the Engineer was less than other projects because of confidence in the Contractor's ability to meet requirements based on their demonstrated excellent knowledge of the contract requirements and the type of work for quality application of the requirements. They submitted paperwork completely and on time.
- **Satisfactory** - The contractor was in 100 percent compliance with the contract (plans, specifications, and proposal). The contractor was fully knowledgeable of all of the contract requirements and how to comply with them. The Contractor needed a normal amount of input from the Engineer.
- **Unsatisfactory** - Knowledge of or willingness to comply with contract requirements was poor. When made aware of documented requirements not

being met, the contractor took little action to meet them. The Engineer needed to increase their oversight compared to other Contractors doing similar work to assure that contract requirements were met. This may have resulted in notice of noncompliance and/or negative adjustment work orders or authorizations.

6) **Workmanship** - When rating this category, you should be appraising the quality of the work.

- **Excellent** - The quality of the work was excellent. The work looked great, met or exceeded required tolerances, and was produced efficiently. Actions needed to correct materials or workmanship not meeting the contract requirements were rare.
- **Satisfactory** - The quality of the work was satisfactory. Work not meeting required tolerances was corrected as appropriate for the type of work being done. The contractor met the minimum tolerances and satisfied the Engineer with the quality of the finished product.
- **Unsatisfactory** - Work orders, Form 1165 (Notice of Noncompliance with Contract Requirements), and records show the work only met required tolerances after the Engineer intervened. The documentation also shows the lack of concern for quality by the Contractor. The Engineer needed constant vigilance to assure the final product was satisfactory. The Engineer felt they were involved in what the Contractor should have been doing.

7) **Adherence to Progress Schedule** - When rating this category, consider both whether the Contractor completed the work on time and how well the Contractor's work was scheduled. When the Contractor's work is not scheduled well, the Engineer cannot effectively and efficiently schedule our activities. Although a project may be completed without liquidated damages, the adherence to progress schedule may be less than satisfactory. NOTE: Your rating should only reflect things that were within the Contractor's control.

- **Excellent** - The Contractor had an excellent knowledge of what to anticipate with the type of work. Everything progressed very smoothly from one activity to the next. Changes in the progress schedule were not related to circumstances that the Contractor should have anticipated. The Engineer's costs were lower because we could schedule our activities more efficiently than normal. The Contractor kept the progress schedule up to date to maintain an accurate representation of the work occurring and anticipated. Any requests for extensions of time were backed up by written evidence that showed circumstances outside the control of the Contractor. Discounting delays that were not the fault of the Contractor, the project progressed on schedule and was also completed on time or before.
- **Satisfactory** - The project progressed smoothly from one activity to the next matching the progress schedule. Changes in the progress schedule were satisfactory for the type of work and the Engineer's scheduling of our activities

was also satisfactory. Liquidated damages were not imposed on the project.

- **Unsatisfactory** - The contractor did not control activities to assure they were completed according to the progress schedule. The project did not progress smoothly from one activity to the next. Delays occurred that were due to the Contractor not having complete control of activities. The Engineer could not efficiently schedule our activities at the site because the Contractor did not efficiently schedule their activities. Liquidated damages do not have to have been imposed for this rating.

8) **Compliance With Traffic Regulations** - When rating this category you should consider whether the Contractor had a thorough knowledge of the traffic control required in the contract and appropriate state laws, and that the Contractor took initiative to meet the contract requirements. Also, if we make improvements in the traffic control, the Contractor cooperates with the Engineer to make any changes.

- **Excellent** - The Contractor took initiative to assure that they met all traffic control requirements. Traffic control devices were in excellent condition, in proper position, clean, and serviced regularly causing very few failures. Intervention by the Engineer to assure that the Contractor met the traffic control requirements was less than other projects with similar types of traffic control.
- **Satisfactory** - The Contractor conformed to traffic regulation requirements of the contract and made sure traffic controls were maintained and working effectively. Traffic control devices were in good shape. The Engineer's intervention to assure the Contractor met the traffic requirements was normal for this type of project and the Engineer never issued notices of noncompliance or safety stop orders.
- **Unsatisfactory** - Documentation shows orders to stop work to correct a noncompliance with traffic controls in the contract were issued. When we needed changes in traffic control, the Contractor did not cooperate to implement them. Traffic control devices were in poor shape and the Engineer had to frequently request the Contractor to replace the devices.

9) **Compliance With Safety Regulations** - When rating this category you should evaluate how good the Contractor's safety practices were overall and how well the Contractor complied with MIOSHA safety regulations.

- **Excellent** - The contractor took initiative to assure the safety of the employees. The contractor was knowledgeable of the MIOSHA and complied with and sometimes exceeded these requirements. Safety equipment and devices were in excellent shape. The Contractor immediately carried out any requests by the Engineer for changes in safety measures. MIOSHA issued no violations or citations.
- **Satisfactory** - The Contractor had good safety practices. The contractor was aware of and complied with the MIOSHA requirements. Safety equipment and

devices were in good shape. The Contractor immediately carried out any requests by MDOT for changes in safety measures. MIOSHA issued no violations or citations.

- **Unsatisfactory** - Documentation shows that the Contractor's safety practices were unsatisfactory. This is shown by MIOSHA giving the Contractor citations or violations with fines, and/or the Engineer imposed stoppages of work for safety issues. The Contractor only reluctantly made requested changes from MDOT or they did not make the change.

10) **Compliance With Environmental Regulations** - When rating this category, you should consider how well the Contractor met the requirements of erosion control; wetlands' regulations; control of hazardous materials; generation, handling, disposing, and labeling of spent abrasive; asbestos abatement; and National Pollution Discharge Elimination System (NPDES) requirements, etc.

- **Excellent** - The Contractor was fully knowledgeable of environmental requirements and took initiative to meet those requirements not only provided in the contract, but went above or beyond the contract requirements, if necessary, and when approved by the Engineer.
- **Satisfactory** - The Contractor met the environmental requirements as shown in the contract. The Contractor had sufficient knowledge of the requirements to keep the project progressing normally.
- **Unsatisfactory** - The documentation shows when the Contractor did not meet environmental requirements and to what extent. This may have been due to the Contractor's lack of knowledge of environmental requirements or lack of concern. To get the Contractor to meet environmental requirements, the Engineer may have issued orders to stop work, held up pay items, or had to bring in an outside Contractor until the requirements were met.

11) **Contractor Quality Control** - When rating this category you should look at the contractor's ability to comply with quality control on the materials, including Contractor staking. This item is for all projects, not just when the pay item for QA/QC is in the contract.

- **Excellent** - The Contractor's ability to control quality was far better than other Contractors doing similar types of work. MDOT has great confidence in the final quality of the product.
- **Satisfactory** - The project office was confident that the Contractor had full control over the quality of the work. Any assurance testing, when required, closely matched the records of contractor testing. The Contractor immediately addressed any concerns found by the project office. Communication flowed easily.

- **Unsatisfactory** - The contractor never took control of the quality of the project. The project office's oversight was greater than that required for a similar project. Documentation shows extensive letters and work orders required to maintain quality.
- 12) **Partnering (Team Building)** - When rating this category, you should consider the Contractor contribution toward making the Department's personnel and their personnel working together as a team. We should rate this category whether a formal partnering session was done on the project or not. Also, this category should reflect how the Contractor participated in the post construction review.
- **Excellent** - Verbal and written communication was excellent. There were fewer claims than usual for a project of this type and size and we settled them at the project office. It required very little effort when working with the Contractor to resolve any deviation from schedule or cost or to implement other changes needed. The Contractor participated and provided valuable (requiring much time and effort for the Contractor) feedback for the post construction review.
 - **Satisfactory** - Verbal and written communication was good. There was an average number of claims when compared to a project of this type and size and only a few could not be settled at the project office and went to the district or central office for resolution. The Contractor worked cooperatively with the Engineer to resolve any deviation from schedule or cost or to implement other changes needed. The Contractor participated and provided feedback during the post construction review.
 - **Unsatisfactory** - Communication and commitments were poor. Documentation shows which commitments were kept and which failed and why. Also, the number of claims that could not be settled at the project office was the same or greater than a project of similar size. The Contractor provided very little cooperation when the Engineer tried to resolve any deviation from schedule or cost or to implement other changes needed. The Contractor did not participate or only provided negative nonconstructive input during the post construction review.

At a minimum, Contractor's evaluations for the last two construction seasons are reviewed when the Contractor applies for their annual Prequalification. However, we will also review the Contractor's evaluations at any time we are notified by the field that the Contractor may need help to improve their performance. Therefore, if the Engineer is concerned with a Contractor's performance, they should contact the Lansing Office and request that Lansing review all of the Contractor's evaluations and determine if action is needed. Possible actions are, but are not limited to, asking the Contractor to meet with the Lansing office and/or develop an action plan to improve their ratings. The Lansing office may also recommend that the Contractor's prequalification be reduced.

We will also be establishing a recognition program to show appreciation for outstanding performance as determined by outstanding ratings.

Engineer of Construction

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cc: Lansing Construction Division Engineers
 Lansing Construction Division Technicians
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